

U.S. Senator Michael Bennet (CO)
Statement for the Record

House Veterans Affairs Subcommittee on Oversight and Investigations
Hearing: "Construction Conundrums: A Review of Continued Delays and Cost Overruns at the
Replacement Aurora, Colorado VAMC"
April 22, 2014

Chairman Coffman and Ranking Member Kirkpatrick:

Today's hearing on the status of the Department of Veterans Affairs (VA) Regional Medical Facility in Aurora, Colorado, is critically important, not only to western region Veterans, but to the American taxpayer. When complete, this facility will provide world-class care to generations of Veterans and their families. However, the VA has struggled to keep this project on time and on budget, and we welcome continued scrutiny and oversight of this venture.

As a Congressional delegation, we have attempted to maintain an open dialogue with the VA throughout this process. We have met with officials at the highest levels to identify and correct the systemic flaws plaguing this construction project. Although we have worked closely with VA officials over the last several months, our most pressing questions remain unanswered, and our concerns continue to grow regarding the management of the payment process to sub-contractors. The VA claims to have streamlined the change order system, yet sub-contractors remain unpaid. It is unconscionable that Colorado small businesses should bear the burden of the VA's inability to competently manage this endeavor.

Additionally, the fact that the VA and the prime contractor Kiewit-Turner (KT) have been unable to resolve fundamental contract disputes and have instead entered into litigation has increased frustration with this project and added unacceptable levels of uncertainty for Veterans. For months, the Congressional delegation has worked to find avenues for the VA and KT to resolve these contract disagreements. Unfortunately, entrenched interests prevented both sides from coming together to act in the best interests of the people. However, I firmly believe we cannot allow the litigation process to hold back much-needed progress. The VA does not need Congressional approval or additional funding to take advantage of available best-practice standards and resources available through other government partners.

The need for action is why I, along with Senator Udall and Representative Perlmutter, have called for the VA to enter into a Memorandum of Understanding with the U.S. Army Corps of Engineers (USACE). The USACE has the technical and managerial experience with major construction projects, as well as a successful track record for completing hospital construction on time and within budget. The USACE and the VA have the ability to enter into an interagency agreement to conduct a Design-Construction Evaluation (DCE) on this project to ensure completion. This evaluation is common practice in the construction community and will provide the VA with a full review of construction and project management processes to identify problems and recommend solutions going forward. The USACE routinely uses the DCE process on its own projects, and the VA will benefit greatly from this independent assessment.

Again, I thank Chairman Coffman and Ranking Member Kirkpatrick for their attention to this important issue. The delays and cost overruns plaguing this project are deeply disturbing and represent a disservice to our nation's veterans and the American taxpayer. Veterans and Colorado small business deserve straightforward answers from the VA about how it will put this project back on track.

Sincerely,